

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 CCO-00 /026 W

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Z 051240Z NOV 74

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TO SECSTATE WASHDC FLASH 7915

LIMITED OFFICIAL USE SECTION 1 OF 2 ROME 15256

EXDIS

SECTO 475

FOR EAGLEBURGER ONLY

E.O. 11652: N/A

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: WORLD FOOD CONFERENCE: PRESS GUIDANCE

REF: STATE 242588

JULES KATZ SHOULD USE FOLLOWING SUMMARY OF SECRETARY'S BACKGROUNDERS
GIVEN TO TRAVELING PRESS ON NOVEMBER 4: (THIS IS NOT A VERBATIM
TRANSCRIPT BUT RATHER GIVES THE MAIN THRUST OF THE QUESTIONS AND
ANSWERS.)

Q. DOES HIS SPEECH LINK MEETING FOOD NEEDS WITH THE PERFORMANCE
OF THE OIL PRODUCERS?

A. THE LINKAGE IS A MATTER OF FACT, NOT A THREAT. WE WILL DO OUR
MAXIMUM WITH REGARD TO MEETING THE WORLD'S FOOD NEED REGARDLESS,
BUT GIVEN THE REALITIES OF INTERDEPENDENCE THAT I HAVE BEEN
DESCRIBING IN RECENT SPEECHES IT IS CLEAR THAT ALL THESE ISSUES
IMPACT UPON ONE ANOTHER. SO WE ARE NOT PLACING CONDITIONS OR MAKING
EXPLICIT LINKAGES WITH REGARD TO OUR APPROACH ON FOOD, BUT
THE INTERDEPENDENT ECONOMIC REALITIES ARE THERE.

Q. HOW WILL THE OIL PRODUCERS RECEIVE THIS SPEECH -
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INCLUDING THE THEME THAT THEY SHOULD HELP?

A. THE SHAH OF IRAN SEEMED RECEPTIVE BUT I HAVE NOT DISCUSSED

THIS YET WITH THE OTHER OIL PRODUCERS AND THEREFORE DO NOT
KNOW WHAT THEIR REACTIONS WILL BE.

Q. ISN'T THERE ANY LINKAGE AT ALL BETWEEN FOOD CONTRIBUTION
AND OIL?

A. THERE IS NOT EXCEPT AS I HAVE JUST MENTIONED IN THE PREVIOUS
QUESTION.

Q. HOW REVOLUTIONARY IS THE SPEECH IN TERMS OF OUR TRADITIONAL
APPROACH?

A. I BELIEVE THE OVERALL APPROACH IS FAIRLY REVOLUTIONARY.
WE HAVE NEVER HAD SUCH A GLOBAL CONCEPTION OF THE PROBLEM.

Q. MR. BUTZ SAID THAT US FOOD AID WOULD GO FROM NINE HUNDRED
MILLION DOLLARS TO ONE BILLION DOLLARS. DOESN'T INFLATION
EAT UP THIS INCREASE?

A. THE PHRASING OF THE SPEECH WAS CAREFULLY THOUGHT OUT. WE
WILL PROVIDE THE MAXIMUM AID POSSIBLE. GIVEN THE INFLATIONARY
SPIRAL THAT EXISTS WE HAVE TO MAKE ALLOCATIONS ON A QUARTERLY
BASIS BECAUSE OF THE PRICE IMPACT. THEREFORE, IT IS DIFFICULT
TO GIVE THE PRECISE FIGURE. OUR INTENTION IS TO TRY TO INCREASE
NOT ONLY THE DOLLAR AMOUNT OF FOOD AID BUT THE ABSOLUTE
QUANTITY OF FOOD.

Q. WHY THEN DID BUTZ USE THOSE FIGURES?

A. IT MAY HAVE BEEN TECHNICALLY WHAT IS ACTUALLY APPROPRIATED;
BUT THIS ISSUE HAS BEEN FULLY DISCUSSED WITH THE PRESIDENT AND
THE SPEECH STATES WHAT THE US POLICY IS.

Q. AREN'T PRICES THE KEY POINT AND THE LINE HAS BEEN THAT THE
HIGHER PRICES THERE ARE THE MORE WILL BE PLANTED. THIS IS THE
AGRICULTURE POSITION, WITH NATIONAL RESERVES TO PROTECT AGAINST
PRICE FLUCTUATION.
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A. WE ARE TRYING TO DEVELOP A COMPREHENSIVE PROGRAM - I DON'T
WISH TO DEBATE PRICING POLICY PER SE.

1. WHAT IS THE ATTITUDE OF THE INDUSTRIALIZED COUNTRIES AND
THE LDC'S TO THIS SPEECH?

A. WE HAVE JUST BEGUN CONSULTATIONS TODAY SO I AM NOT SURE

WHAT THEIR ATTITUDE WILL BE. WE ARE TALKING TO THE MEMBERS OF THE EXPORT PLANNING GROUP. I THINK THERE SHOULD BE A POSITIVE RESPONSE.

Q. DOES THE REFERENCE TO NATIONALLY HELD RESERVES MEAN GOVERNMENT INVOLVEMENT?

A. THIS REFERENCE MEANT THAT RESERVES SHOULD BE HELD WITHIN EACH COUNTRY RATHER THAN BEING HELD INTERNATIONALLY. FRANKLY, WE ARE STILL DIVIDED WITHIN THE GOVERNMENT WHETHER IT WILL BE NECESSARY IN THE US TO HAVE GOVERNMENT RESERVES AS WELL AS PRIVATE ONES. THE FIRST TASK IS TO GET AN INTERNATIONAL AGREEMENT WITH A QUOTA THAT WE ARE TO HOLD AND THEN WE WILL SEE WHAT IS NECESSARY TO GET OUR COMMITMENT. IF WE CAN MEET OUR COMMITMENTS ENTIRELY THROUGH PRIVATE MEANS, THERE IS NO RELIGION ON THIS ISSUE.

Q. WILL YOU NEED TO HAVE GREATER FOCUS ON AGRICULTURAL MATTERS IN THE STATE DEPARTMENT?

A. STATE WILL BE PLAYING A MUCH MORE ACTIVE ROLE IN THIS FIELD. I WILL BE LOOKING TO A NEW UNDER SECRETARY FOR ECONOMIC AFFAIRS AS WELL AS MY SPECIAL ASSISTANT IN THESE MATTERS.

Q. IS THE FOOD PRODUCTION AND INVESTMENT GROUP JUST ANOTHER ORGANIZATION? WHAT HAPPENED TO THE WORLD FOOD AUTHORITY?

A. (HE OUTLINED THE THREE NEW GROUPS.) AS FOR THE AUTHORITY WE INDICATE THAT WE WOULD GO ALONG WITH THIS IF THAT IS WHAT IS WANTED. WE LEAVE THIS DECISION TO THE CONFERENCE. WE HAVE NOTICED SOME OPPOSITION TO THE IDEA RECENTLY. WE ARE PROPOSING THESE THREE GROUPS; WE LEAVE OPEN THE QUESTION WHETHER THEY SHOULD BE UNIFIED IN A WORLD FOOD AUTHORITY. LIMITED OFFICIAL USE

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Q. HAVE YOU TAKEN SOUNDINGS ON THE IMPACT OF THE SPEECH ON THE COMMUNIST BLOC AND THE ALLIED NATIONS?

A. I DON'T KNOW THE RESULTS OF ANY SOUNDINGS TAKEN HERE. THE FOOD DEFICIT DEVELOPING NATIONS SHOULD BE QUITE RECEPTIVE. I DON'T WANT TO PREDICT THE FIRST REACTION OF THE EXPORTERS. THE COMMUNIST NATIONS WILL PROBABLY BE NEGATIVE ESPECIALLY ON RESERVES. YUGOSLAVIA AND ROMANIA ON THE WHOLE FAVORED THE APPROACH OF THE SPEECH. I HAVE DISCUSSED IT AT EACH OF THE STOPS OF MY TRIP.

Q. DID YOU DISCUSS THIS WITH THE SOVIET UNION?

A. ONLY IN THE MOST GENERAL WAY. I THINK THE SOVIET UNION

WAS MOST WORRIED ABOUT BEING PUT ON THE SPOT WITH A SPECIFIC PROPOSAL.

Q. WHAT ABOUT CANADA?

A. THEY WILL PROBABLY BE IN THE EXPORT PLANNING GROUP. THERE MUST BE A COOPERATIVE APPROACH. THE PROBLEM IS ONE OF NEW IDEAS COMING UP AGAINST TRADITIONAL PATTERNS.

Q. WILL YOU DISCUSS THIS WITH SADAT?

A. I BELIEVE THE DEVELOPING NATIONS WILL FAVOR OUR APPROACH. I WILL DISCUSS THIS WITH SADAT IF POSSIBLE. AS YOU KNOW, SECRETARY BUTZ IS GOING TO EGYPT AND SYRIA.

Q. DOES THE NEW GROUP IN THE SPEECH MEAN A POOL FOR FOOD AID?

A. YES, IT GETS AT THE PROBLEM OF HOW TO CONTROL THE DISTRIBUTION OF FOOD. THERE WILL BE BOTH BILATERAL AND MULTI-LATERAL PROGRAMS. WE SUGGEST THE NEGOTIATION OF A MINIMUM THREE-YEAR PROGRAM FOR THE DEFICIT COUNTRIES BY TRADITIONAL DONORS AND NEW FINANCIAL POWERS. WITH RESPECT TO OUR CONTROL OF THE GROUP OUR INFLUENCE WILL BE REFLECTED IN OUR VOTING POWER WHICH SHOULD BE CONSIDERABLE. IN ADDITION WE WILL CONTINUE OUR OWN PL-480 PROGRAM. THE THRUST OF THE SPEECH IS BOTH ON BILATERAL AND MULTILATERAL EFFORTS.
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Q. WHAT WILL BE THE CONGRESSIONAL REACTION?

A. IT SHOULD GO WELL WITH SENATORS LIKE HUMPHREY. ON THE WHOLE IT SHOULD BE TREATED ON A BI-PARTISAN BASIS. I DON'T KNOW HOW MUCH SOUNDINGS WITH CONGRESS HAVE YET BEEN TAKEN IN WASHINGTON.

Q. ISN'T THIS PRIMARILY A PROGRAM FOR THE WESTERN WORLD?

A. NO, JUST THE OPPOSITE. IT IS BASICALLY FOR THE POOR COUNTRIES. MOST OF THE EXPORTERS ARE IN THE WESTERN WORLD AND WE WANT TO INCREASE THEIR COOPERATION. WE HAVE A BROAD APPROACH -- TO INCREASE PRODUCTION IN THE DEVELOPED WORLD AND IN DEVELOPING COUNTRIES AND TO INVOLVE THE NEW FINANCIAL POWERS AS WELL AS THE WESTERN WORLD IN HELPING OUT. ALSO, WE EMPHASIZE FOOD QUALITY, AND RESERVES WHICH ARE A GLOBAL PROBLEM AFFECTING ALL.

Q. DOESN'T THE SPEECH STRESS GENERAL APPROACHES AND MAYBE LOSE SPECIFICITY?

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EXDIS

SECTO 475

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A. IT DEPENDS ON HOW THESE THINGS ARE DONE. OUR ATTITUDE HAS BEEN THAT WE NEED A COHERENT PROGRAM TREATING ALL THE ISSUES OF FOOD ON A GLOBAL BASIS. WE HAVE SET FORTH A STATEMENT ON HOW TO ORGANIZE COMPREHENSIVELY TO DO THIS AND THEN WE SAY WHAT THE US IS PREPARED TO DO NATIONALLY AND INTERNATIONALLY. FOOD CAN'T BE TREATED JUST AS A MATTER OF DOLLARS. THIS SPEECH TRIES TO CREATE AN ORGANIZING FRAMEWORK AND A CONCEPTUAL FRAMEWORK ON HOW TO APPROACH THESE ISSUES AND IN EACH CATEGORY THERE IS A STATEMENT ABOUT WHAT THE US IS PREPARED TO DO.

Q. WHAT ABOUT GETTING MORE FOOD PRODUCTION?

A. WE BELIEVE THAT DEVELOPING COUNTRIES HAVE TO INCREASE THEIR PRODUCTION. FOR EXAMPLE, THEY HAVE 35 PERCENT MORE LAND UNDER CULTIVATION AND PRODUCE 20 PERCENT LESS THAN THE DEVELOPED COUNTRIES. OUR ATTITUDE INDICATES THE MAGNITUDE OF THE PROBLEM, THE SCALE OF THE EFFORT NEEDED AND HOW TO APPROACH IT.

Q. WHAT CAN ONE EXPECT A CONFERENCE OF THIS SIZE TO DO PRACTICALLY?

A. THERE ARE TWO DIMENSIONS. WHAT CAN ANY ONE CONFERENCE ACHIEVE. AND WHAT IS THE OVERALL EFFORT WHICH IS REQUIRED.

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WE ARE TRYING TO ARTICULATE A STATEMENT OF THE PROBLEM, INDICATE THE RIGHT ANSWERS AND TRY TO ORGANIZE AN INTERNATIONAL EFFORT. THIS CONFERENCE WON'T SET UP ALL THE INSTITUTIONS WE SUGGEST, BUT WE THINK THAT SOME GROUPS ALONG THESE LINES MUST BE SET UP. WE SET FORTH A PROGRAM REFLECTING US RESPONSIBILITY AND OUR PERCEPTION OF A PROGRAM. WE WILL ATTEMPT TO GET THIS IMPLEMENTED OVER A PERIOD OF TIME. WE WOULD HOPE THAT OVER A YEAR THERE WILL BE PROGRESS MADE IF THE US DOES ITS PART AS IT IS PLEDGED TO DO.

Q. WE DO NOT THINK THE COMMUNIST BLOC WILL COOPERATE AND YET HOW CAN YOU HAVE A GLOBAL SOLUTION REALISTICALLY WITHOUT THEM?

A. WHAT IS NEEDED IS FOR COUNTRIES TO INDICATE THEIR NEED FOR SOME GLOBAL SYSTEM. WE NEED THIS ANALYSIS FOR RESERVES. WE HAVE THE IRONIC SITUATION WHERE WE ARE ARGUING FOR PLANNING WHILE THE COMMUNISTS OPERATE IN A FREE MARKET. IF THEY DO NOT JOIN THE RESERVES GROUP, WE WILL GIVE PRIORITY ON DISTRIBUTING RESERVES TO OTHER NATIONS.

Q. ISN'T ALL OF THIS GOING TO TAKE PLACE OUTSIDE THE UNITED NATIONS?

A. WE DO NOT PRECLUDE THESE GROUPS BEING RELATED TO AN OVERALL GROUP OF THE UNITED NATIONS.

Q. IF THERE IS MORE FOOD AID WHEN YOU COULD HAVE EXPORTED IT FOR MONEY, ISN'T THIS A BURDEN ON THE TAXPAYERS?

A. THIS IS ONE OF THE NATIONAL DECISIONS WE WILL HAVE TO MAKE. THE EXPORTERS MUST HAVE A SENSE OF RESPONSIBILITY. THERE IS A LIMIT TO THE CONCESSIONS OF FOOD THAT WE CAN SHIP. THERE ARE DIFFERENCES OF OPINION.

Q. SHOULDN'T WE HELP DEVELOPING COUNTRIES RATHER THAN THE COMMUNIST BLOC?

A. YES, AND THAT IS PRECISELY WHAT WE ARE PROPOSING. IF THE COMMUNISTS JOIN THE RESERVE GROUP, THERE IS NO PROBLEM. IF THEY DON'T JOIN, THE COUNTRIES IN THE SYSTEM GET PREFERENTIAL TREATMENT.

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Q. WILL THERE BE A NET INCREASE IN UNTIED FOOD AID?

A. WE ARE ALLOCATING AID ON A QUARTERLY BASIS IN ORDER TO

MINIMIZE THE IMPACT ON PRICES. THEREFORE, AT EACH QUARTER WE HAVE TO MAKE A DECISION. WE WILL GIVE A MAXIMUM AMOUNT OF CONCESSIONAL AID. OBVIOUSLY THERE ARE DIFFERENCES OF OPINION. WE WILL DO THE MAXIMUM AMOUNT THAT WE CAN DO. THERE WILL CERTAINLY BE MORE IN TERMS OF VALUE. I AM CONFIDENT THAT WE WILL ALSO DO MORE IN TERMS OF QUANTITY. BUT THIS IS SUBJECT TO THE IMPACT ON PRICES AND THEREFORE THERE HAS TO BE SOME QUALIFIER. I WOULD BE SURPRISED IF BY THE END OF THE FISCAL YEAR THERE WERE NOT AN INCREASE IN THE AMOUNT. THERE WILL CERTAINLY BE AN INCREASE IN DOLLARS AND WE ARE AIMING STRONGLY FOR AN INCREASE IN QUANTITY. INFLATION IS A FACTOR. IF OIL PRICES ARE NOT RAISED, OBVIOUSLY THE US WILL BE IN A BETTER POSITION. IF INFLATION IS UNDER CONTROL, THE VALUE WILL INCREASE. THE INDEX SCHEME DEPENDS ON WHAT LEVEL YOU START IT. IF THERE IS A PRIOR CUT IN PRICES, THEN WE WILL LOOK AT INDEXES.

Q. IF OIL PRICES GO UP, THEN PEOPLE WILL BE HUNGRIER?

A. WE HOPE TO KEEP THE PRICES FROM GOING UP. IF THEY GO UP, THE BIND GETS WORSE. THIS IS NOT BECAUSE WE TREAT FOOD AS A WEAPON. IT IS REALITY. WE CONSIDER GOOD A RESPONSIBILITY RATHER THAN A WEAPON.

Q. SHOULDN'T THERE BE MORE EMPHASIS ON OVER-POPULATION? MANY THINK THIS IS THE BIGGEST PROBLEM. HOW DO YOU RANK IT? YOU ONLY GAVE IT FOUR SENTENCES.

A. THE SPEECH INDICATES WHAT IS LIKELY TO HAPPEN IF PRESENT POPULATION TRENDS CONTINUE. ONE COULD ARGUE WHETHER WE SHOULD HAVE DEVOTED MORE SPACE TO THIS IMPORTANT ISSUE. WE TRIED TO MAKE CLEAR THAT POPULATION MAGNIFIES THE FOOD PROBLEM IF IT CONTINUES TO INCREASE. WE ARE MAKING OUR PROJECTIONS AND SUGGESTIONS ON THE BASIS OF CURRENT TRENDS. OBVIOUSLY, A SLOWDOWN IN POPULATION WOULD HELP EASE THE FOOD PROBLEM. KISSINGER

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